

Ni America, LLC

Regulated Water and Wastewater Utilities

**Emphasizing regulatory compliance
and customer service**

Texas - South Carolina - Florida





SOUTH CAROLINA

Palmetto Utilities, Inc.

Palmetto Wastewater Reclamation, LLC (PWR)

*Alpine Utility System
Woodland Utility System*

803-699-2422

Alpine

Acquired August, 2011

Woodland





South Carolina Office of Regulatory Staff

The Water and Wastewater Department of the ORS represents the public interest with regard to the regulation of rates and services of privately owned water and wastewater utilities in South Carolina.

Consumer Services

Resolve Disputes - Settle Inquiries - Get Educated

803-737-5230

800-922-1531 (toll free)

<http://www.regulatorystaff.sc.gov>



PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

WHAT IS REGULATED BY THE COMMISSION?

The Commission regulates investor-owned water and wastewater utilities, telephone utilities, electrical utilities, gas utilities, and motor vehicle carriers as defined in Title 58 of the South Carolina Code. The Seven-Member Commission essentially functions as a court with the principal duty to hear cases involving regulated utilities.

- exclusive jurisdiction to establish fair and reasonable rates
- requires regulated utilities to provide adequate service and to treat all customers equitably
- receives formal complaints regarding regulated utilities

803-896-5100

<http://www.psc.sc.gov>



South Carolina Department of Health and Environmental Control

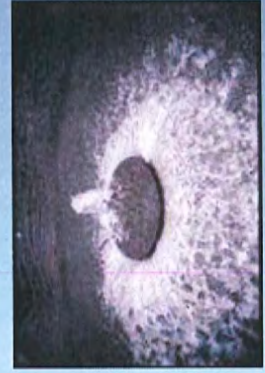
We promote and protect the health of the public and the environment.

Sanitary Sewer Overflows (SSO)

Blockages - Construction Activities - Pipe failures - Pump Failures
Grease Accumulation - Root Intrusion - Poor Maintenance
Inflow & Infiltration

803-898-4300

<http://www.scdhec.gov>





Alpine / Woodland Utilities

34 miles of pipe

	Alpine	Woodland	Total
Gravity Pipe	144,000'	28,000'	172,000'
Force Main	8,000'	3,300'	11,300'
Manholes	616	117	733
Lift Stations	8	2	10

WW Treatment 2 MGD .288 MGD

<u>2011 Rates</u>		<u>Customers</u>
Alpine	\$16.75	1300 (300 commercial)
Woodland	\$24.00	420 (3 commercial)

Customer Service Improvements

- Commitment to the Utility
- Online account access and bill pay (coming soon)
- Customer Communications
- Faster Response to Service Calls
- 24-Hour Response to Emergency Calls
- Enhanced SSO Notification Procedures
(email list includes area media outlets and other interested parties)

System Improvements

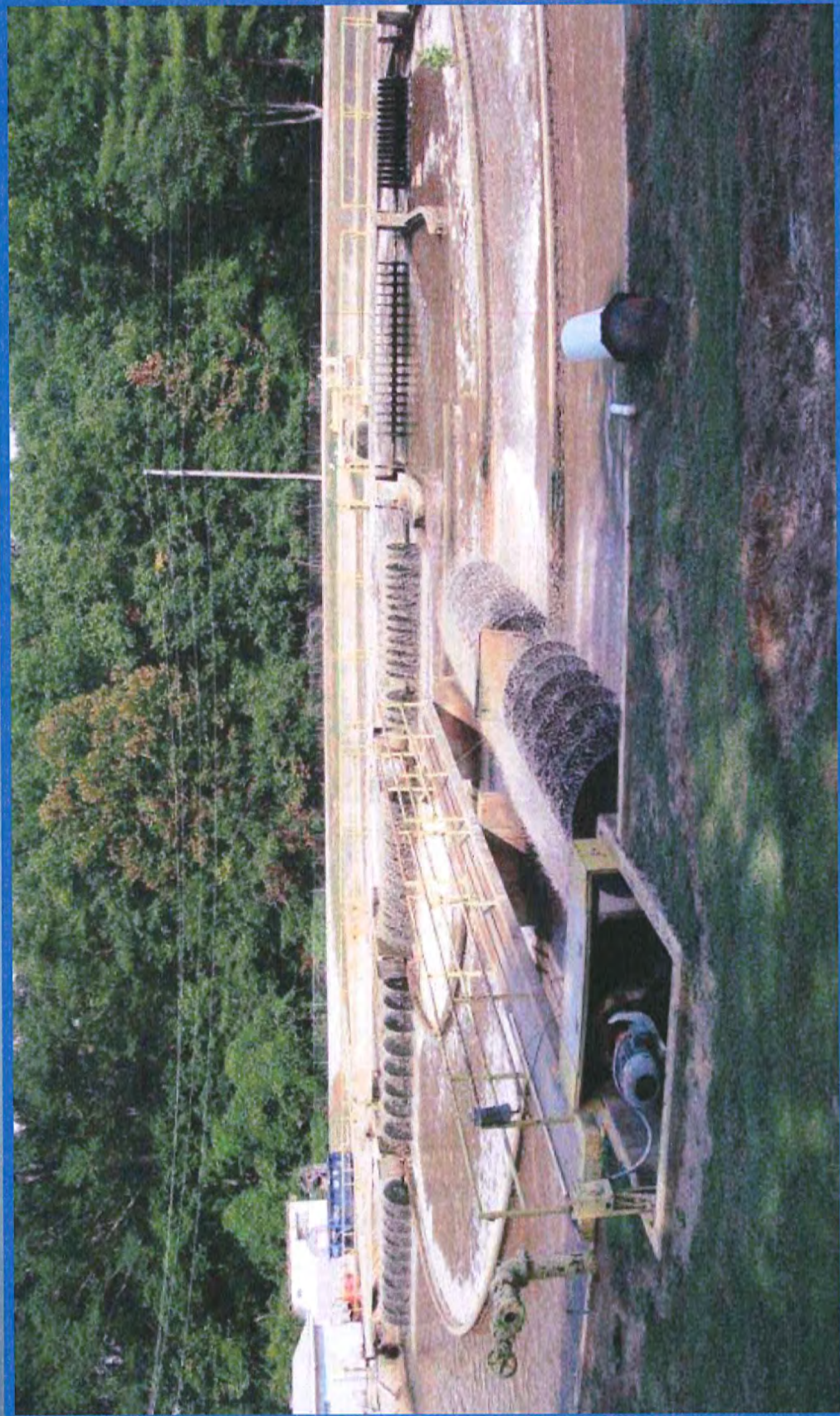
- Video, clean, repair - collection system(5)
 - Install “Auto-Dialer” alarm/monitors
 - Clear easements/rights of way(5)
 - Inspect, repair all manholes(3)
 - Grease Trap Program
 - Utility Management Expertise
- WWTP (18 months)**
- Second clarifier
 - Install new bar screen, grit collector, floating aeration system
 - Extend plant walls
 - Replace chlorine disinfection system with UV
 - Woodland - Upgrade berm, additional aeration

Improvement Status

1/1/2012

- “Auto Dialer” Alarm/Monitors Installed at Lift Stations and Alpine WWTP (completed 1st week of ownership)
- Alpine WWTP Aeration System : completed January 2012
- Collection System (172,000 feet):
 - 82,000 feet cleaned
 - 67,000 feet inspected/videoed
 - appx 60,000 feet repaired
- Manholes: All 733 inspected.
 - 600 require repair/200 completed

Alpine WWTP (8/1/11)



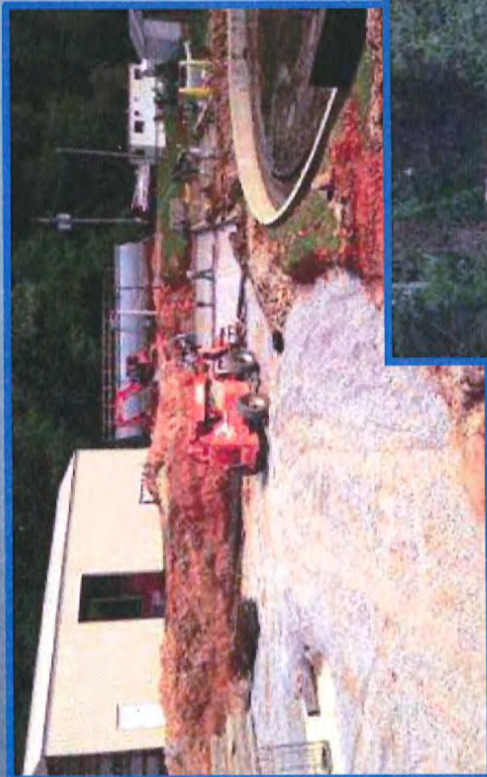
Alpine WWTP (8/1/11)



New Floating Aeration Rotors



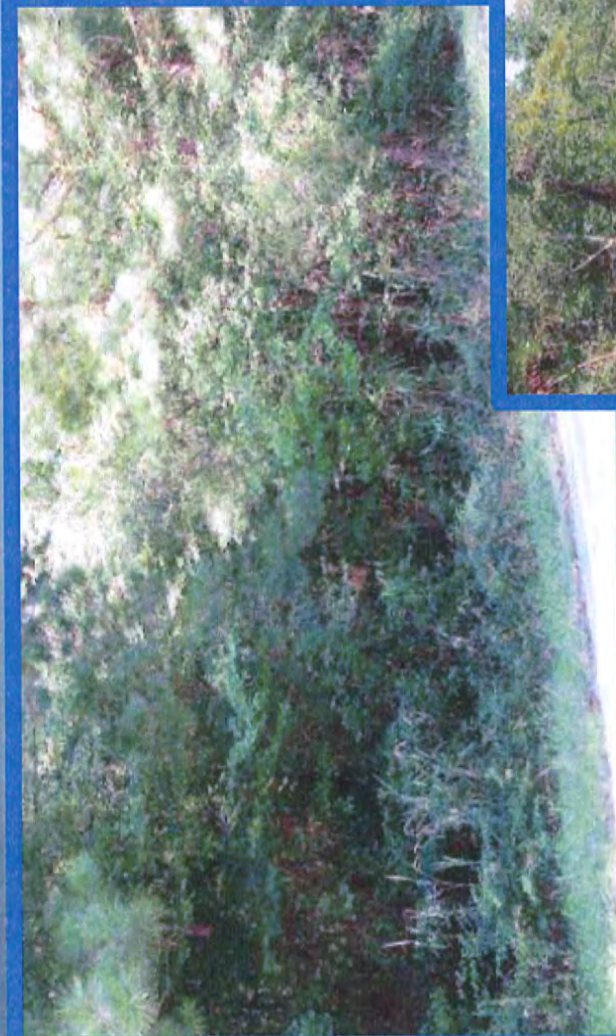
Alpine WWTP Improvements



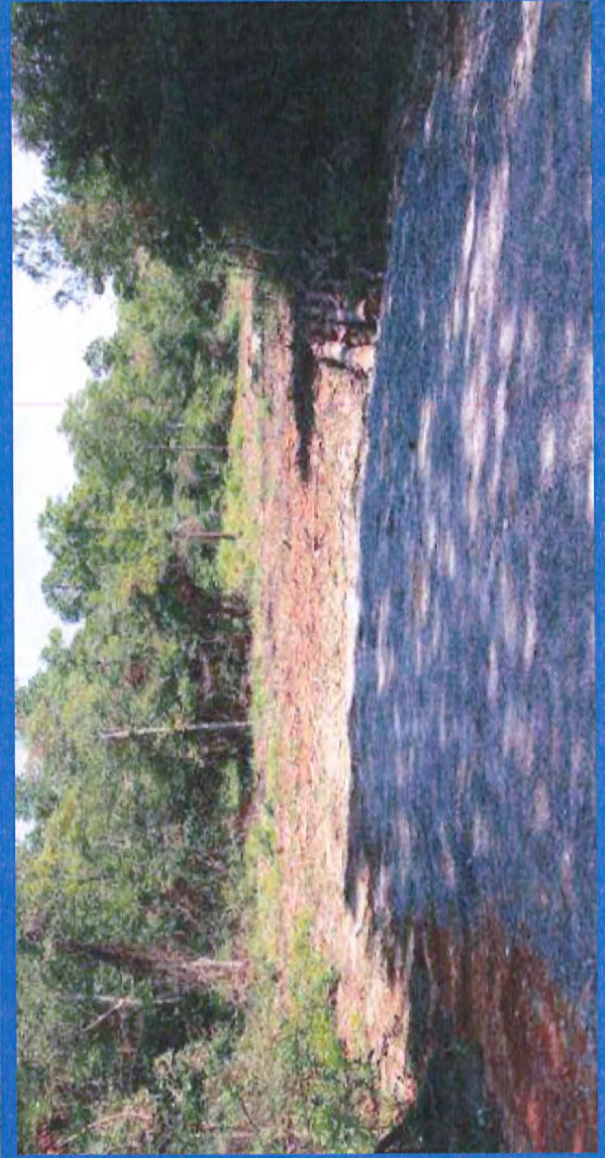
Debris



Overgrown Utility Easements

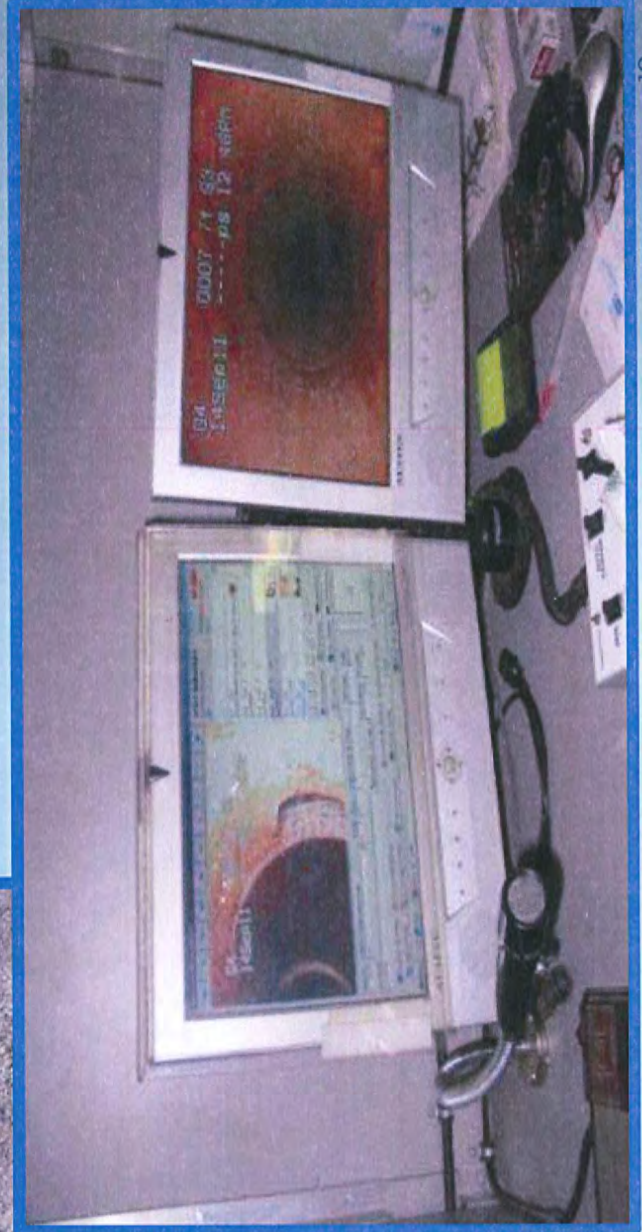


before

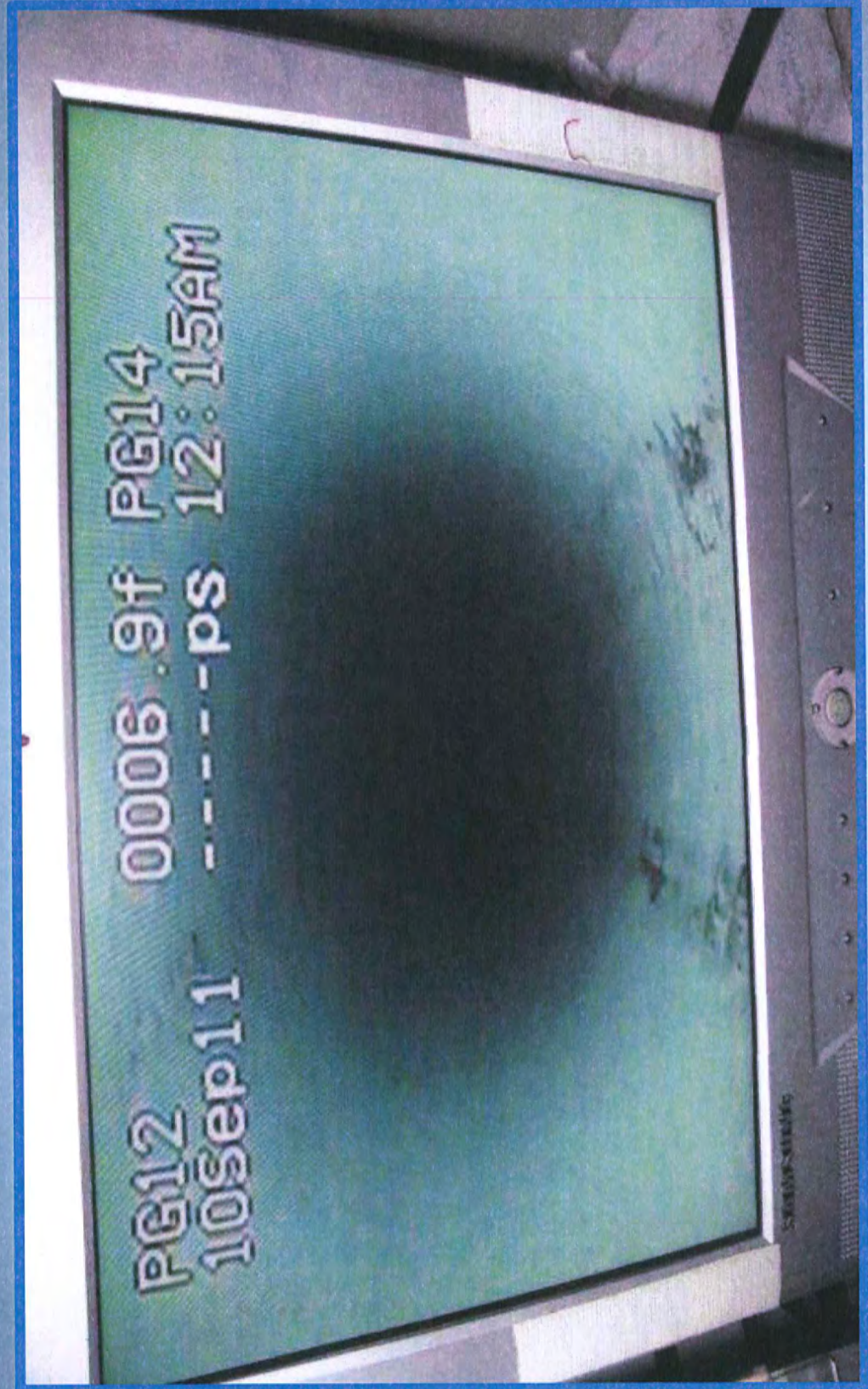


after

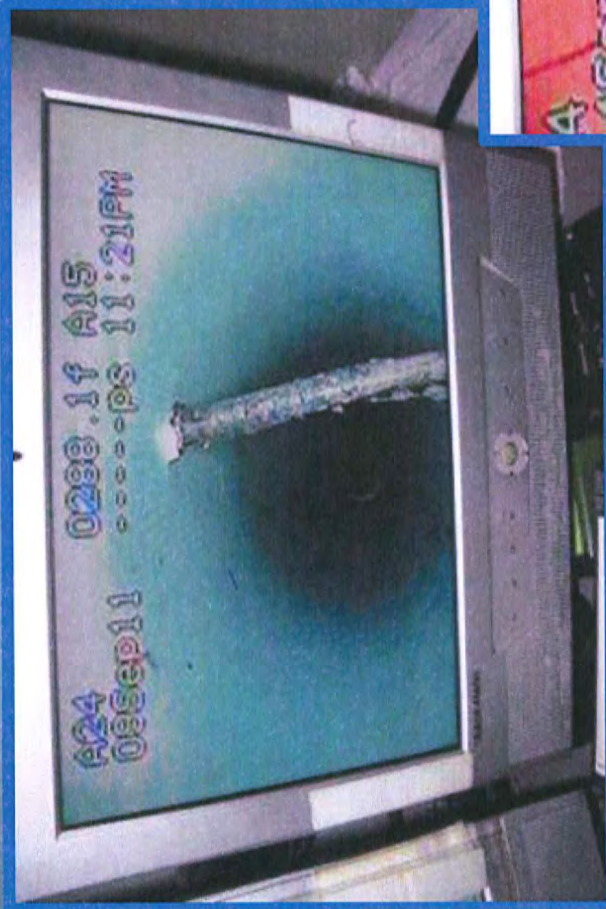
Collection System Video Camera



Pipe After Cleaning



Steel Rod in Pipe



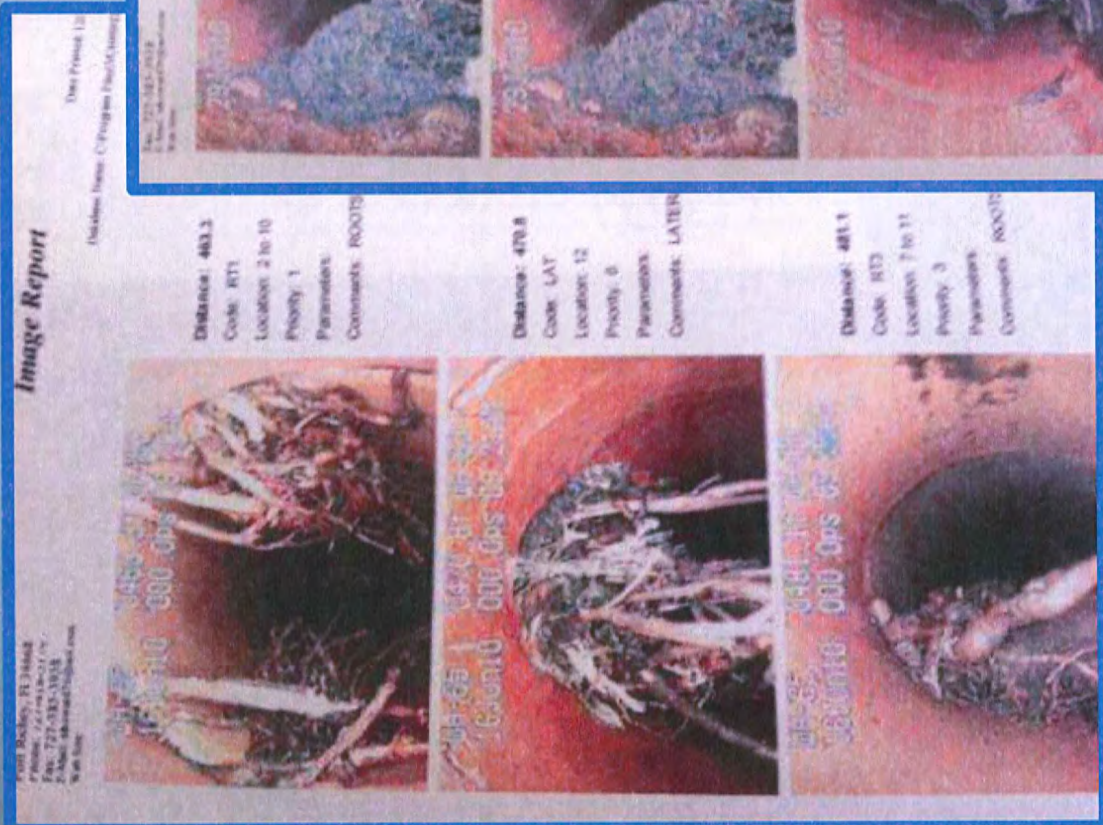
Broken Pipe





Collapsed Concrete Pipe

Root Intrusion



Root Blockage Cause of SSO



Pipe Repair/Liner

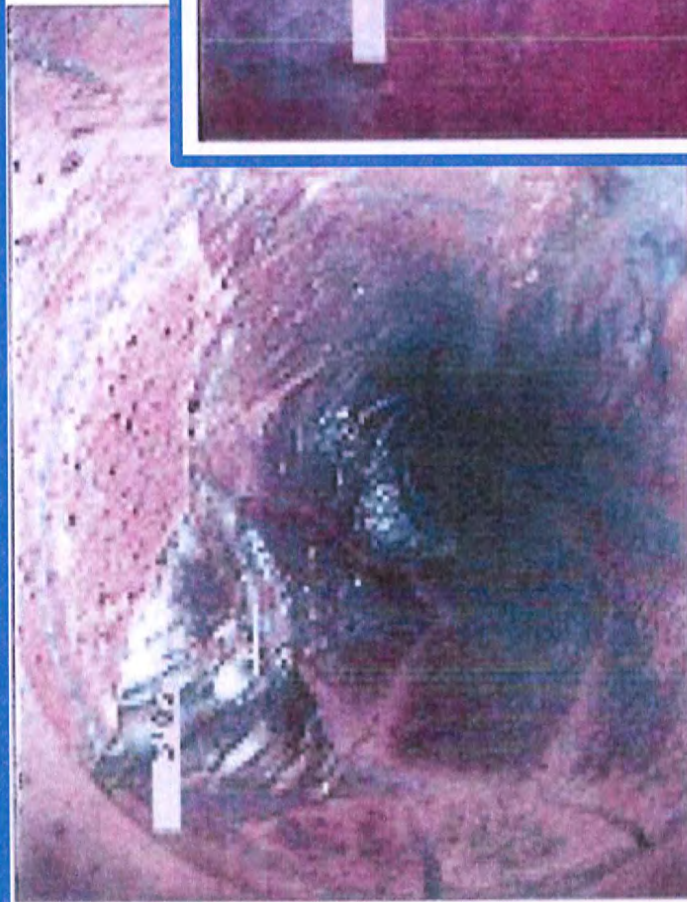


Photo: 19_1A
Multiple Cracks at joint, from 12 to 12 o'clock



Photo: 17_1B
Multiple Cracks at joint, from 12 to 12 o'clock

Pipe Break / Repair



Manhole/Concrete Repair

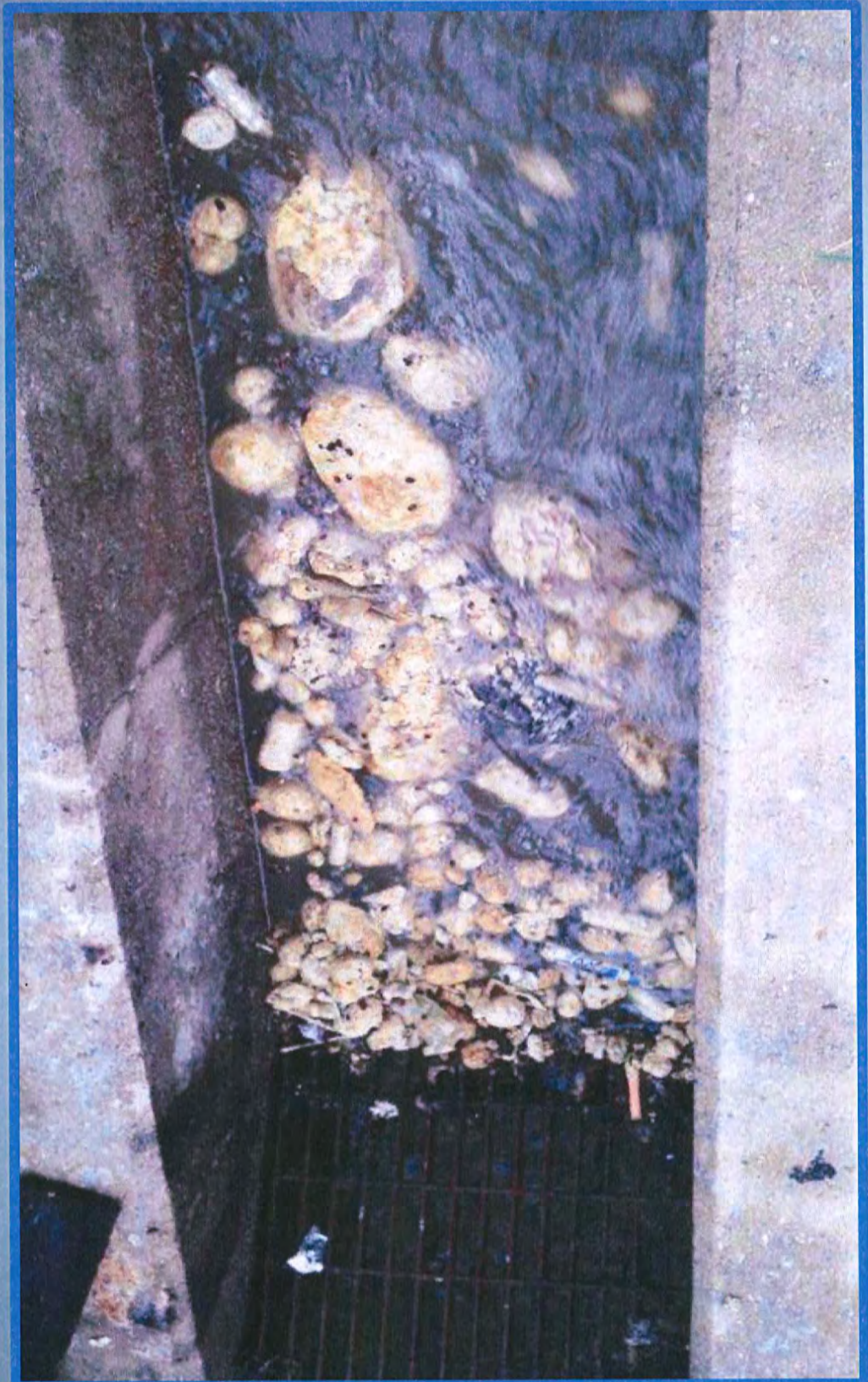


What is the environmental problem with “FOG” (FATS, OIL, GREASE) in our sewers?

EPA’s report to congress on sewer overflows identifies grease from “restaurants, homes and industrial sources” as the most common cause of blockages (47%). Grease is problematic because it solidifies, reduces system capacity and blocks flow.*

***EPA’s Office of Water -2007**

Grease Blockage at Bar Screen



Grease - Cause of Alpine SSO on 1/23/12



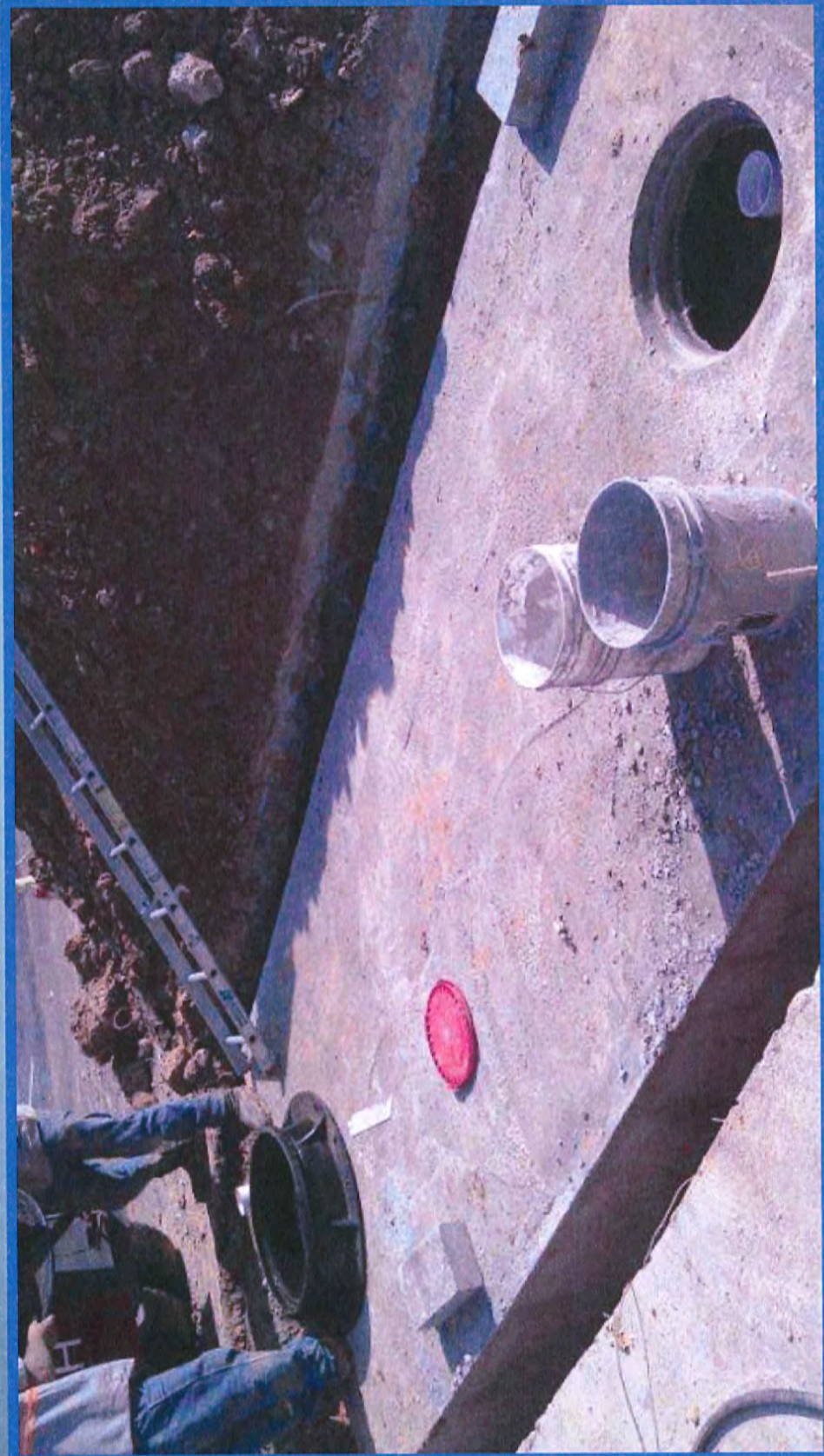
Grease Accumulation in Lift Station



Eliminating Grease From the System

1. Residential Customer Awareness (“FOG”)
2. Commercial Grease Trap Program
 - *Grease Trap Standards*
 - *Inspections*
 - *Pump outs*
 - *Compliance or Disconnection*

New Commercial Grease Trap



Grease Traps Poor Condition



Inflow and Infiltration (I & I) “Introduction of groundwater/stormwater into the sewer system.”

Sources:

- Cracks, breaks in sewer pipes due to age, root intrusion, etc.
- Improper/illegal connection of storm water drainage to the sewer collection system



Result:

- Overloads the sewer system
- Shortens life of pumps, motors
- System can overflow into the environment
- Sewage can back up into customer residences

Treatment Plant Flood - I&I



SSO Cleanup: vacuum, flush, vacuum, disinfect



Privately Owned Utilities (Investor Owned Utilities)

- Must meet all regulatory guidelines
- EPA survey – small IOUs have the most violations
- EPA determined – the best future for small IOUs is to be purchased by large, responsible utility
- IOU rates must reflect full cost of service
- Rates must also provide a “reasonable rate of return to ensure continued investment/compliance by private owners”

“US Water Rates Expected To Triple”

2/28/12 – CNN Money Report

- “Many consumers could see their water bills double or even triple, as the country attempts to overhaul its aging water system over the next 25 years.”
- “A new study by the American Water Works Association found that repairing and expanding the U.S. drinking water system between 2011 and 2035 will cost at least \$1 trillion, an amount that will largely be paid for by increasing household water bills.”
- “The \$1 trillion in water infrastructure costs over the next 25 years includes fixing leaky pipes, replacing pipelines and expanding water systems to accommodate growing populations.”

http://money.cnn.com/2012/02/27/pf/water_bills/index.htm?source=cnn_bin

The Rate Process

WHY RATES INCREASE?

- Additional investment in the utility system (repairs, replacements, improvements)
- Increases in O & M costs

HOW?

- Application is filed with the PSC
- Utility must provide notice to customers
- ORS “represents the public interest” and conducts audit of utility records
- Expenditures must be “Used and Useful”, “Reasonable and Necessary”
- Hearing is held where customers are invited to participate
- PSC determines final rates

Area Wastewater Rates Comparison

Alpine	\$ 16.75	
Woodland	24.00	
Palmetto Utility	33.00	
Richland County	46.54	
City of Columbia	48.28	(6,000 gal)
(\$9.28 base + 6.50 usage)	74.28	(10,000)
Lexington County	47.71	(6,000 gal)
(\$9.75 base + 5.41 usage + 5.50 backflow fee)	69.35	(10,000)

Important Numbers

Palmetto Customer Service 803-699-2422

Please Report Sewer Spills Immediately!

Office of Regulatory Staff 803-737-5230

DHEC 803-898-4300

Public Service Commission 803-896-5100